

STATE OF SOUTH DAKOTA CLASS SPECIFICATION

Class Title: Senior Revenue Auditor

Class Code: 10153

A. Purpose:

Conducts audits on large complex businesses, in and out-of-state, having nexus or not, with multiple issues affecting taxation; acts as a lead auditor and directs the work of audit staff on audits; and is responsible for on the job training of new audit staff to ensure statutory compliance with sales, use, excise, and fuel tax laws.

B. Distinguishing Feature:

Senior Revenue Auditors function as lead workers by training, assigning, and reviewing the work of other auditors; and conduct out-of-state audits on businesses, companies, contractors, or suppliers classified as large and complex by the size of the business, address complicated tax issues, companies may have multiple businesses or be multi-level corporations, nationwide and Fortune 500 companies, operate large computerized accounting systems, or the business may be involved in diverse un-related business activities under various licenses.

Revenue Auditors, either independently or in conjunction with a senior auditor, audit businesses to determine and ensure statutory tax compliance.

Revenue Supervisors supervise revenue agents, revenue auditors, or dealer inspectors in the Department of Revenue.

C. Functions:

(These are examples only; any one position may not include all of the listed examples nor do the listed examples include all functions which may be found in positions of this class.)

1. Conducts large and complex audits both in and out-of-state and directs/monitors other auditors assigned to assist on sales, use, excise, or fuel tax audits to ensure proper tax compliance.
 - a. Contacts selected businesses to explain the purpose of the audit, ask questions about the businesses operations, and to set an audit date.
 - b. Discusses what records will be needed to conduct the audit, the space and time needed for the audit, and audit procedures.
 - c. Requests information and/or accounting records for a preliminary review and to help plan the audit.
 - i. Prepares and sends out the Notice of Intent.
 - ii. Determines the sampling method and sample periods for the audit.
 - d. Travels to businesses and meets with the business owners and/or their representatives to discuss the purpose of the audit and to identify what records will be needed.
 - e. Reviews a business's financial and tax information through copies of invoices, printouts, or by directly accessing the information on the business's computer system.
 - i. Keeps the taxpayer informed of audit findings during the audit.
 - ii. Explains and interprets tax laws and policies to the business owner and/or their representative(s).
 - f. Determines the accuracy and completeness of the taxpayer's records and tax returns.
 - g. Reviews and assess the company's internal controls to determine if they can be relied on while conducting the audit.

- h. Prepares audit work papers, determines if there is any additional tax liability or overpayment, and gives the work papers to the supervisor for review and approval.
 - i. Plans for and schedules out-of-state audits and makes necessary arrangements.
 - j. Acts as the lead auditor on out-of-state audits and on large in-state audits dealing with multiple tax issues and licenses.
 - k. Assigns portions of audits to other auditors according to department procedures.
 - l. Oversees and reviews the work of other auditors assigned to an audit team, for correct implementation of auditing procedures and techniques.
 - m. Testifies in court to substantiate audit findings.
2. Researches, selects, and plans for audits of businesses to develop an inventory of businesses to be audited.
 - a. Reviews audit priority lists.
 - b. Researches and analyzes leads and database files for potential audits.
 - i. Reviews information from previous audits and leads discovered or brought to their attention by others.
 - ii. Examines a business's reporting history to determine if a business is making numerous errors in filing returns or possibly not filing returns.
 - c. Selects and submits a list of potential audits for approval.
 3. Provides assistance, education, and fraud deterrence information to taxpayers to help them understand tax laws and policies and record keeping requirements.
 4. Participates in training and directs the work of Revenue Auditors to provide them information on proper auditing procedures and techniques.
 - a. Instructs auditors in the different types of audits, proper tax compliance, records required for review, and different types of accounting systems.
 - b. Assigns portions of an audit to other auditors and reviews their findings.
 5. Performs other work as assigned.

D. Reporting Relationships:

Reports to a Revenue Supervisor. Provides work direction to and assists in training Revenue Auditors and other staff.

E. Challenges and Problems:

Challenges include understanding and applying all of the sales, use, excise, and fuel tax laws and tax policies and how they apply to the many businesses that have a South Dakota tax license; explaining to taxpayers how the tax laws and tax policies apply to their specific business or type of situation; informing a taxpayer they have been selected for an audit and then having to inform them they may be subject to a large tax assessment; extracting pertinent business data from different types of accounting software applications; and finding businesses that have made the decision not to remit taxes owed and take the chance on being audited and face substantial tax assessments.

Problems include working with a business with incomplete records, dealing with paperless audit trails, differences or problems with a taxpayer's record keeping system and methods, taxpayer resistance and/or hostility, applying tax laws to many different businesses and tax scenarios, auditing businesses with multiple licenses, coordinating the audit with the taxpayer, dealing with

taxpayers who do not respond to requests for information, unusual tax situations and questions posed by a taxpayer, making sure the information given to a taxpayer is consistent with information being given to similar taxpayers or businesses, selecting and conducting audits that are a priority to the department, requesting and obtaining information from businesses with complex record keeping systems and huge amounts of data and invoices, finding someone in a business that knows the business's complete tax reporting structure, especially when businesses are downsizing or merging, determining tax liability for companies billing each other for services, working with taxpayers who have no records and/or are not willing to present what they have, coordinating the audit schedule when other auditors are assisting in the audit, and ensuring auditors are applying tax laws consistently.

F. Decision-making Authority:

Decisions made include identifying and selecting businesses to audit; negotiating with a business the date and time for an audit; determining the most efficient and effective way to perform an audit; identifying which audit procedures, tax laws and tax policies apply to specific situations; when it is appropriate to seek advice or assistance from the audit supervisor on complex or unusual tax issues; whether an audit should be detailed or a sample and for what periods; which tax and accounting records need to be reviewed and if those records are accurate; advising a taxpayer on what records they should be keeping; how to interpret the taxability of specific issues; if tax records are valid; the priority of audits; the correct tax assessment, work assignments of assisting auditors, and how to incorporate other auditors' findings into audit reports.

Decisions referred include final approval of audit selections, how to deal with unusual or difficult tax scenarios, whether an audit should be referred for a criminal audit, approval of audit work papers/reports, what to do with angry or hostile taxpayers, what to do when there are no formal or standard procedures to follow, and final decision on penalty assessments.

G. Contact with Others:

Daily contact taxpayers or their accountants, business managers, or attorneys to request, give, and receive information.

H. Working Conditions:

The incumbent works in an office environment and frequently travel to taxpayers' businesses to conduct audits. Often records are stored in large heavy boxes requiring heavy lifting and moving. There is the potential for hostility or violence from taxpayers who are facing a large tax assessment or protesting state tax laws.

I. Knowledge, Skills and Abilities:

Knowledge of:

- generally accepted accounting principles (GAAP), standards, and practices;
- standards, concepts, and objectives of auditing;
- various types of accounting software, both mainframe and personal computer;
- sales, use, excise, and fuel tax laws;
- general computer operation

Ability to:

- deal tactfully with others;
- communicate effectively both orally and in writing;
- conduct financial audits;
- work with electronic data and automated accounting systems and extract necessary data;
- use a lap top computer;
- reconstruct income, sales, and expenses in order to determine taxes owed;
- be flexible and adapt to various situations outside of the office;
- analyze and find audit candidates that have potential tax liability;
- track leads from one audit to another;
- discover new areas of potential tax liability;
- research pertinent case law, statutes, and regulations; interpreting and applying these to audit issues.